



**MONTPELIER PUBLIC LIBRARY  
WILLIAMS COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000-1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**MONTPELIER PUBLIC LIBRARY  
DEFIANCE COUNTY**

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STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

One Government Center  
Room 1420  
Toledo, Ohio 43604-2246  
Telephone 419-245-2811  
800-443-9276  
Facsimile 419-245-2484  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

## REPORT OF INDEPENDENT ACCOUNTANTS

Montpelier Public Library  
Williams County  
216 East Main Street  
Montpelier, Ohio 43543-1199

To the Board of Trustees:

We have audited the accompanying financial statements of Montpelier Public Library, Williams County, Ohio, (the Library) as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Library prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Library as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated [End of Fieldwork Date] on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

This report is intended solely for the information and use of management, the Board of Trustees, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

April 26, 2001

**MONTPELIER PUBLIC LIBRARY  
WILLIAMS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

|   | <u>Governmental Fund Types</u> |                            |                             | <b>Totals<br/>(Memorandum<br/>Only)</b> |
|---|--------------------------------|----------------------------|-----------------------------|---|
|   | <u>General</u>                 | <u>Special<br/>Revenue</u> | <u>Capital<br/>Projects</u> |   |
| <b>Cash Receipts:</b>                       |                                |                            |                             |   |
| Property and Other Local Taxes              | \$289,457                      |                            |                             | \$289,457                               |
| Patron Fines and Fees                       | 5,097                          |                            |                             | 5,097                                   |
| Earnings on Investments                     | 10,139                         |                            |                             | 10,139                                  |
| Contributions, Gifts and Donations          | 1,430                          |                            |                             | 1,430                                   |
| Miscellaneous Receipts                      | 859                            |                            |                             | 859                                     |
|   |                                |                            |                             | <hr/>                                   |
| Total Cash Receipts                         | <u>306,982</u>                 |                            |                             | <u>306,982</u>                          |
| <b>Cash Disbursements:</b>                  |                                |                            |                             |   |
| Current:                                    |                                |                            |                             |   |
| Salaries and Benefits                       | 106,252                        |                            |                             | 106,252                                 |
| Supplies                                    | 7,905                          |                            |                             | 7,905                                   |
| Purchased and Contracted Services           | 58,973                         |                            |                             | 58,973                                  |
| Library Materials and Information           | 41,354                         |                            |                             | 41,354                                  |
| Other Objects                               | 4,419                          |                            |                             | 4,419                                   |
| Capital Outlay                              | 6,516                          |                            |                             | 6,516                                   |
|   |                                |                            |                             | <hr/>                                   |
| Total Cash Disbursements                    | <u>225,419</u>                 |                            |                             | <u>225,419</u>                          |
| Total Cash Receipts Over Cash Disbursements | 81,563                         |                            |                             | 81,563                                  |
| Fund Cash Balances, January 1               | <u>272,438</u>                 | <u>22,782</u>              | <u>10,248</u>               | <u>305,468</u>                          |
| <b>Fund Cash Balances, December 31</b>      | <b><u>\$354,001</u></b>        | <b><u>\$22,782</u></b>     | <b><u>\$10,248</u></b>      | <b><u>\$387,031</u></b>                 |
| Reserves for Encumbrances, December 31      | <u>\$35,536</u>                |                            |                             | <u>\$35,536</u>                         |

*The notes to the financial statements are an integral part of this statement.*

**MONTPELIER PUBLIC LIBRARY  
WILLIAMS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

|   | <u>Governmental Fund Types</u> |                            |                             | <b>Totals<br/>(Memorandum<br/>Only)</b> |
|---|--------------------------------|----------------------------|-----------------------------|---|
|   | <u>General</u>                 | <u>Special<br/>Revenue</u> | <u>Capital<br/>Projects</u> |   |
| <b>Cash Receipts:</b>                       |                                |                            |                             |   |
| Property and Other Local Taxes              | \$268,577                      |                            |                             | \$268,577                               |
| Patron Fines and Fees                       | 5,648                          |                            |                             | 5,648                                   |
| Earnings on Investments                     | 14,673                         |                            |                             | 14,673                                  |
| Contributions, Gifts and Donations          | 917                            |                            |                             | 917                                     |
| Miscellaneous Receipts                      | 1,393                          |                            |                             | 1,393                                   |
|   |                                |                            |                             |   |
| Total Cash Receipts                         | <u>291,208</u>                 |                            |                             | <u>291,208</u>                          |
| <b>Cash Disbursements:</b>                  |                                |                            |                             |   |
| Current:                                    |                                |                            |                             |   |
| Salaries and Benefits                       | 138,455                        |                            |                             | 138,455                                 |
| Supplies                                    | 11,096                         |                            |                             | 11,096                                  |
| Purchased and Contracted Services           | 53,154                         |                            |                             | 53,154                                  |
| Library Materials and Information           | 58,913                         |                            |                             | 58,913                                  |
| Other Objects                               | 4,528                          |                            |                             | 4,528                                   |
| Capital Outlay                              | 7,457                          |                            |                             | 7,457                                   |
|   |                                |                            |                             |   |
| Total Cash Disbursements                    | <u>273,603</u>                 |                            |                             | <u>273,603</u>                          |
|   |                                |                            |                             |   |
| Total Cash Receipts Over Cash Disbursements | 17,605                         |                            |                             | 17,605                                  |
|   |                                |                            |                             |   |
| Fund Cash Balances, January 1               | <u>254,833</u>                 | <u>22,782</u>              | <u>10,248</u>               | <u>287,863</u>                          |
| <b>Fund Cash Balances, December 31</b>      | <b><u>\$272,438</u></b>        | <b><u>\$22,782</u></b>     | <b><u>\$10,248</u></b>      | <b><u>\$305,468</u></b>                 |
|   |                                |                            |                             |   |
| Reserves for Encumbrances, December 31      | <u>\$25,470</u>                |                            |                             | <u>\$25,470</u>                         |

*The notes to the financial statements are an integral part of this statement.*



**MONTPELIER PUBLIC LIBRARY  
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Montpelier Public Library, Williams County, (the Library) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Library is directed by a seven-member Board of Trustees appointed by Board of Education of the Montpelier Exempted Village School District. The Library provides the community with various educational and literary resources.

The Library's management believes these financial statements present all activities for which the Library is financially accountable.

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

Repurchase agreements and certificate of deposits are valued at cost.

**D. Fund Accounting**

The Library uses fund accounting to segregate cash and investments that are restricted as to use. The Library classifies its funds into the following types:

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Library had the following significant Special Revenue Fund:

*Walter Faben Memorial Fund* - This fund received a donation and the monies in the fund may be expended for any purpose other than payroll and general operation that the Board of Trustees see fit in the memory of Mr. Faben.

**MONTPELIER PUBLIC LIBRARY  
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**3. Capital Project Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Library had the following significant capital project fund:

*Building and Repair Fund* - The money in this fund was the excess of funds needed to build the current library. The fund is being maintained for future building repairs.

**E. Budgetary Process**

The Ohio Administrative Code requires that each fund be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object level of control. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

**3. Encumbrances**

The Ohio Administrative Code requires the Library to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**G. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation in certain circumstances, such as upon leaving employment. Unpaid vacation are not reflected as liabilities under the cash basis of accounting used by the Library.

**MONTPELIER PUBLIC LIBRARY  
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The Library maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 follows:

|   | <u>2000</u>             | <u>1999</u>             |
|---|-------------------------|-------------------------|
| Demand deposits                               | \$12,881                | \$14,318                |
| Certificates of deposit                       | <u>165,000</u>          | <u>165,000</u>          |
| Total deposits                                | <u>177,881</u>          | <u>179,318</u>          |
| <br>Repurchase Agreements                     | <br><u>209,000</u>      | <br><u>126,000</u>      |
| Total deposits and investments                | <u>386,881</u>          | <u>305,318</u>          |
| <br>Cash on hand                              | <br><u>150</u>          | <br><u>150</u>          |
| Total carrying amount of cash and investments | <u><u>\$387,031</u></u> | <u><u>\$305,468</u></u> |

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Library, or (3) collateralized by the financial institution's public entity deposit pool.

**Investments:** Securities underlying the repurchase agreements are held in a book-entry form by the Federal Reserve, in the name of the financial institution. The financial institution maintains records identifying the Library as the owner of the securities.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

| 2000 Budgeted vs. Actual Receipts |                         |                         |                        |
|-----------------------------------|-------------------------|-------------------------|------------------------|
| Fund Type                         | Budgeted<br>Receipts    | Actual<br>Receipts      | Variance               |
| General                           | \$290,677               | \$306,982               | \$16,305               |
| Special Revenue                   |                         |                         |                        |
| Capital Projects                  |                         |                         |                        |
| Total                             | <u><u>\$290,677</u></u> | <u><u>\$306,982</u></u> | <u><u>\$16,305</u></u> |

| 2000 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |                         |
|---|----------------------------|---------------------------|-------------------------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance                |
| General   | \$563,114                  | \$260,955                 | \$302,159               |
| Special Revenue                                       | 22,782                     |                           | 22,782                  |
| Capital Projects                                      | 10,248                     |                           | 10,248                  |
| Total   | <u><u>\$596,144</u></u>    | <u><u>\$260,955</u></u>   | <u><u>\$335,189</u></u> |

**MONTPELIER PUBLIC LIBRARY  
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

| 1999 Budgeted vs. Actual Receipts |                      |                    |                 |
|-----------------------------------|----------------------|--------------------|-----------------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance        |
| General                           | \$268,628            | \$291,208          | \$22,580        |
| Special Revenue                   |                      |                    |                 |
| Capital Projects                  |                      |                    |                 |
| Total                             | <u>\$268,628</u>     | <u>\$291,208</u>   | <u>\$22,580</u> |

| 1999 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |                  |
|---|----------------------------|---------------------------|------------------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance         |
| General   | \$523,461                  | \$299,073                 | \$224,388        |
| Special Revenue                                       | 22,782                     |                           | 22,782           |
| Capital Projects                                      | 10,248                     |                           | 10,248           |
| Total   | <u>\$556,491</u>           | <u>\$299,073</u>          | <u>\$257,418</u> |

**4. RETIREMENT SYSTEM**

The Public Employees Retirement System of Ohio (PERS) is a state operated, cost-sharing, multiple employer public employee retirement system. PERS provides retirement benefits to vested employees who are eligible to retire based upon years of service. PERS also provides survivor and disability benefits to vested employees.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% of participants' gross salaries during fiscal year 1999 and the first half of fiscal year 2000. The Library contributed a temporary rollback rate of 8.13% for the last half of fiscal year 2000. The Library has paid all contributions required through December 31, 2000.

**5. RISK MANAGEMENT**

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability; and
- Errors and omissions.



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OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

One Government Center  
Room 1420  
Toledo, Ohio 43604-2246  
Telephone 419-245-2811  
800-443-9276  
Facsimile 419-245-2484  
www.auditor.state.oh.us

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON  
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Montpelier Public Library  
Williams County  
216 East Main Street  
Montpelier, Ohio 43543-1199

To the Board of Trustees:

We have audited the accompanying financial statements of Montpelier Public Library, Williams County, Ohio, (the Library) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated April 26, 2001. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audits, we considered the Library's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted another matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Library in a separate letter dated April 26, 2001.

Montpelier Public Library  
Williams County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

This report is intended for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

April 26, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**MONTPELIER PUBLIC LIBRARY**

**WILLIAMS COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MAY 22, 2001**